

11 March 2015

Clarification by Wide Bay Australia Ltd Response to recent media

In response to recent media articles, Wide Bay Australia Ltd would like to clarify the following points:

Impaired loans

Wide Bay announced in August 2013 that provisioning in its wholly owned insurance company, Mortgage Risk Management Ltd, had increased by \$4.8 million.

During the past year, Wide Bay has accounted for many of these impaired loans. The board of directors is of the view that the current provision for doubtful debts is sufficient for the companies impaired loans and credit risk.

FTS

Wide Bay holds a 25% shareholding in FTS, which was written down to nil in June 2013. Wide Bay does not actively refer clients to FTS, and does not have a financial planning arm.

Wide Bay has a home loan referral agreement with FTS, but this is an arms-length relationship and Wide Bay has no operational involvement in FTS's financial planning business. All loans referred by FTS to Wide Bay are, and always have been, fully assessed and approved or declined on their merits. No home loans referred to Wide Bay by FTS have required recovery action and none of Wide Bay's current repossession actions relate to FTS clients.

For further information, please contact:



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